

WHOLESALE DISTRIBUTION—UNITED STATES SUMMARY

INTRODUCTION

This report presents the essential statistics for the United States derived from the first Census of Wholesale Distribution, which is a part of the Fifteenth Decennial Census of the United States. The statistics were collected in 1930 and cover the wholesale operations during the year 1929. They were secured largely by a field canvass covering every State, county, and city in continental United States. Assistance in the preparation of this report was rendered by W. A. Ruff, assistant chief statistician for distribution, Nathanael H. Engle and C. E. Warner, jr., experts in marketing.

Scope of wholesale distribution.—The census of wholesale trade of the United States embraces all establishments which were engaged in the purchase, sale, or distribution of goods on a wholesale basis. In addition to wholesalers of the conventional type, the census covers wholesalers rendering limited services, such as desk jobbers or drop shippers and cash-and-carry wholesalers, and the whole range of organizations engaged in wholesale trade or operating on a wholesale basis, and performing wholesale functions, including brokers, commission merchants, chainstore warehouses, manufacturers' sales branches, selling agents, etc. The term has also been used to include assemblers and country buyers of farm products, such as elevators, country buyers, cooperative marketing associations, and the like. While brokers, commission merchants, manufacturers' sales branches, and chainstore warehouses are in certain respects unlike wholesale merchants, they perform wholesale functions in general and have been classed in the wholesale field. Concerns selling goods to such industrial consumers as manufacturing plants, public utilities, oil-well companies, mining concerns, railroads, and the like, are also regarded as establishments engaged in wholesale trade. Thus, for census purposes, the wholesale field covers nearly all merchandising concerns, with the exception of retail establishments.

Canvass based on establishments.—A wholesale distribution establishment, for census purposes, is a place of business where goods are sold or distributed on a wholesale basis. It may be in the form of a store which does not generally sell to the public, a distributing warehouse, an office, or part of an office, as when the office is shared with other similar organizations. The Census of Distribution was taken on the basis of establishments in order to facilitate the canvass and to make it possible to present data by geographic areas. A separate report was required for each

establishment, regardless of whether or not it was owned or operated as part of a larger business organization.

Kinds of wholesale business not included.—The census does not include statistics on wholesale peddlers and others who maintain no places of business, since the canvass was based on establishments or physical business units; nor does the census include establishments engaged purely in the performance of services rather than in the distribution of commodities, as exemplified by advertising agencies, cotton gins and compresses, brokers in securities and commodity changes and real estate brokers and dealers. Only where substantial quantities of goods were sold at wholesale by such establishments were reports required on the appropriate forms. Finally, it does not include the wholesale sales of manufacturers which were made directly from their manufacturing plants or the wholesale sales of agricultural producers such as nurserymen, unless those sales were made through an establishment maintained independently of the producing plant or plants.

Statistical technique—General survey.—The statistical procedure followed in taking the Census of Wholesale Distribution consisted of the following steps: Four types of schedules or questionnaires were used to secure the data (see Appendix for sample forms). Two of these schedules, Form 8 and Form 10, were designed for wholesale establishments located in cities having 10,000 inhabitants or more. Form 8 was a special schedule designed for the food trades, whereas Form 10 was the general wholesale schedule for all other trades except the automobile business. A special schedule, Form 22, was used for the automobile trade, covering both wholesale and retail establishments. For communities under 10,000 in population a general schedule, Form 14, was used for all kinds of business and for both wholesale and retail trade.

The information was secured by a field canvass, supplemented by a mail follow-up wherever necessary. Enumerators covered every State, county, and city in the United States and secured information on the proper schedules for every wholesale establishment that could be located. These schedules were assembled by chief special agents and supervisors in charge of regional offices of the Census Bureau and forwarded to the Census Bureau in Washington, D. C.

Editing.—A special division of the Census of Distribution was created to receive and check the incoming

schedules and to apportion them to the proper section, such as wholesale and retail. The wholesale schedules, which supplied the raw material for the published statistics, required careful treatment before they could be used. In technical terms, it was necessary to subject all schedules to an editing process. This consisted of a thorough examination of all schedules to ascertain (1) whether the concern had reported on the proper form, (2) to sort out incomplete reports for special treatment, (3) to detect inaccuracies and inconsistencies in the answers to the various inquiries, and (4) to correct all such deficiencies by correspondence, by personal interview, or by other approved methods.

Movement of schedules through the editing process.—On the basis of a careful study of a large number of schedules, detailed editing instructions were prepared and made available for all concerned in the editing section. Schedules requiring no correspondence or special handling were edited and placed in the files to await coding. All schedules which were not satisfactory were set aside for further treatment with a notation as to the nature of the deficiencies. Some deficiencies could be supplied from the schedules themselves, while others required special treatment. In many instances the inquiry requiring treatment was common to so many schedules that appropriate form letters were used for communication with the wholesale establishments affected. In other cases special correspondence and other handling was required. The extent of this follow-up work on the part of the Census of Wholesale Distribution may be realized from the fact that some 33,000 letters were sent out involving approximately 80,000 or nearly half of all the wholesale schedules received, the difference between the two

numbers being due to the fact that a single letter frequently involved a number of wholesale chain establishments.

Coding.¹—In compiling and tabulating the statistics, mechanical devices were brought into use. It was, therefore, necessary to transfer the data from the schedules to cards which could be punched and tabulated on the electrical tabulating equipment. This required the translation of all information on the schedules into numerical form. In short, it was necessary to prepare codes which could be applied to all items on the schedules so that the information could be readily transferred to the tabulating cards. In this work, it was possible to apply the principle of specialization. Thus, a group of clerks was given a single inquiry to code and the schedules were passed from this group to another which specialized in a second code. This method insured a rapid rate of production in coding, and, at the same time, reduced the possibility of error to a minimum.

It was found necessary to prepare three 80-column mechanical tabulating cards and one 45-column card to take care of the information contained in the wholesale schedules. These cards were machine punched by a separate section specializing in that work. The cards were next turned over to a machine tabulating section where they were sorted and tabulated in accordance with instructions prepared for the purpose. The information from the tabulating section was prepared in the form of result slips, which showed the various codes and figures contained in the schedules. These result slips provided the basis for compiling the statistical tables used in the final bulletins and volumes.

¹ The method of coding and editing briefly described herein was similar to that followed in the other branches of the census.